State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary David R. Catanach Division Director Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition

to the actions approved by BLM on the following <u>3160-3</u> APD form.

Operator Signature Date: <u>12-16-15</u> Well information; Operator <u>WPX</u>, Well Name and Number <u>NE Chaco Con #910H</u> API# <u>30-039-31355</u>, Section <u>8</u>, Township <u>23</u> [N/S, Range <u>6 E</u>(W)

Conditions of Approval:

(See the below checked and handwritten conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- K Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
 - Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
 - Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
 - Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

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NMOCD Approved by Signature

1-24-2016

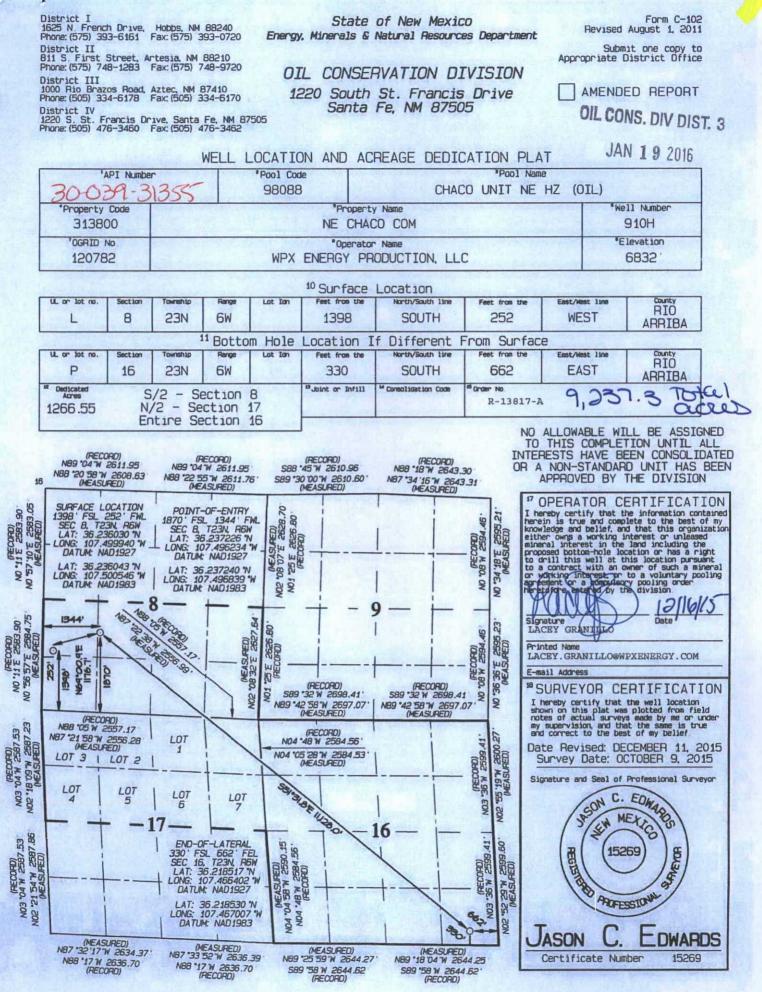
1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

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Form 3160-3		OIL CONS. D	VDIST	FOR	M APPROVED No. 1004-013	
(September 2001)	1	0110 00110, 0	IV DIOL.	Onto	No. 1004-013 January 31, 2	
UNITED STA DEPARTMENT OF TH		JAN 19	2016	5. Lease Serial N	ю.	Ro
BUREAU OF LAND MA		0, 111 2 0	2010	NMSF 078359		"SCER
APPLICATION FOR PERMIT TO	DRILL OR R	EENTER		6. If Indian, Allot	tee or Tribe	Name
a. Type of Work: 🛛 DRILL 🗌 REE	INTER			7. If Unit or CA	410 Dis	~0/5
b. Type of Well: Oil Well Gas Well Other		Single Zone 🔲 Mu	ltiple Zone	NMNM 132829 8. Lease Name and NE Chaco Com	Well No. 2	and Field
. Name of Operator				9. API Well No.	#910H	and Manager
WPX Energy Production, LLC	2h Dhana M	o. (include area code)		30.03	7-312	535 rent
a. Address				10. Field and Pool,		ry
P.O. Box 640 Aztec, NM 87410 . Location of Well (Report location clearly and in accordance with	(505) 33			Chaco Unit NE H2 11. Sec., T., R., M.,		Survey or Area
At surface 1398' FSL & 252' FWL SEC 8 23N 6W		ienis.)	NWS	SHL: Sec 8, T2		
At proposed prod. Zone 330' FSL & 662' FEL, sec 16, T23N	, R6W	1242	SESS	BHL: Sec 16, T	23N, R6W	
. Distance in miles and direction from nearest town or post offic				12. County or Paris	h	13. State
From the intersection of US Hwy 550 & US Hwy 64 in Bloon	and the second se			Rio Arriba Cou		NM
Distance from proposed* location to nearest property or lease line, ft.	2461			g Unit dedicated to th	is well	
(Also to nearest drig, unit line, if any) 330, Distance from proposed location*	2462 4 19. Propose		1266.55 Ac	res IA Bond No. on file		
to nearest well, drilling, completed, applied for, on this lease, ft.						
Elevations (Show whether DF, KDB, RT, GL, etc.)		MD / 5,277' TVD cimate date work will	UTB00 start*	23. Estimated dura	tion	
6832' GR	April 15			1 month		
		chments	\$C		1.1.1	
A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Off		 Operator certif Such other site authorized official 	e specific infor	mation and/or plans	s as may be	required by the
Signatula	Name	(Printed/Typed)	ICCI.		Date	
MULUUN		ey Granillo			12/16/15	
tle mit Tech.III						
pproved by (Signature)	Name	e (Printed/Typed)			Date	13 bx 11
the AFM	Offic	e Es		1.4		0/2010
oplication approval does not warrant or certify that the applicant herations thereon.	olds legal or equita	ble title to those rights	in the subject le	ease which would ent	itle the applie	cant to conduct
onditions of approval, if any, are attached.						
tle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, mates any false, fictitious or fraudulent statements or representation	ake it a crime for ar s as to any matter w	ny person knowingly a ithin its jurisdiction.	and willfully to	make to any departm	ient or agenc	y of the United
instructions on reverse)						
PX Energy Production, LLC, proposes to develop the Chaco Uni face use plans.	t NE HZ (Oil) form	ation at the above des	cribed location	in accordance with th	ne attached di	rilling and
e well pad surface is under jurisdiction of the BLM and is on lea 99H/200H/268H/269H that have previously been drilled.	se and will be twinr	ned with the NE Chaco	o Com #933H/9	41H along with the	NE Chaco Co	om
s location has been archaeologically surveyed by La Plata Arch					he BLM.	IG OPERATIONS
new access road is needed.	BLM'S APPR	OVAL OR ACC	EPTANCE	OF THIS	UTHORIZE	DANG GOATTAC
existing pipeline from NE Chaco Com #199H will be utilized.	ACTION DO	ES NOT KELLE	ING ANY	OTHER	"GENERA	L REQUIREMEN
This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4	UPERATOR AUTHORIZA	FROM OBTAIN TION REQUIR L AND INDIAN	ED FOR O	PERATIONS		

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NMOCD M





WPX Energy

Operations Plan

(Note: This procedure will be adjusted onsite based upon actual conditions)

Date:	December 15, 2015	Field:	Chaco Unit NE HZ (Oil)
Well Name:	NE CHACO COM #910H	Surface:	BLM
SH Location:	NWSW Sec 8-23N-06W	Elevation:	6832' GR
BH Location:	SESE Sec 16-23N-06W	Minerals:	FED

Measured Depth: 16,945.47'

I. <u>GEOLOGY:</u> Surface Location - San Jose A. FORMATION TOPS (KB)

NAME	MD	TVD	NAME	MD	TVD
OJO ALAMO	1355	1341	POINT LOOKOUT	4308	4213
KIRTLAND	1675	1652	MANCOS	4533	4432
PICTURED CLIFFS	1973	1942	GALLUP	4946	4832
LEWIS	2089	2055	KICKOFF POINT	5,423.76	5,191.71
CHACRA	2012	2380	TOP TARGET	5723	5300
CLIFF HOUSE	3533	3459	LANDING POINT	5,818.82	5,307.00
MENEFEE	3577	3502	BASE TARGET	5,818.82	5,307.00
	14 Mar 19 Mar		TD	16,945.47	5,277.00

B. MUD LOGGING PROGRAM: Mudlogger on location from surface csg to TD.

C. LOGGING PROGRAM: LWD GR from surface casing to TD.

D. <u>NATURAL GAUGES</u>: Gauge any noticeable increases in gas flow. Record all gauges in Tour book and on morning reports.

II. DRILLING

A. <u>MUD PROGRAM:</u> LSND mud (WBM) will be used to drill the 12-1/4" Surface hole, the 8 ¾" Directional Vertical hole, and the curve portion of the wellbore. A LSND (WBM) or (OBM) will be used to drill the lateral portion of well. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses.

B. <u>BOP TESTING:</u> While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The anticipated reservoir is expected to be less than 1300 psi, so the BOPE will be tested to 250 psi (Low) for 5 minutes and 1500 psi (High) for 10 minutes. Pressure test surface casing to 600 psi for 30 minutes and intermediate casing to 1500 psi for 30 minutes. Utilize a BOPE Testing Unit with a recording chart and appropriate test plug for testing. The drum brakes will be inspected and tested each tour. All tests and inspections will be recorded in the tour book as to time and results.

III. MATERIALS

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A. CASING PROGRAM:

CASING TYPE	OH SIZE (IN)	DEPTH (MD)	CSG SIZE	WEIGHT	GRADE	CONN
SURFACE	12.25"	320.00'	9.625"	36 LBS	J-55 or equiv	STC
INTERMEDIATE	8.75"	5,818.82'	7"	23 LBS	J-55 or equiv	LTC
PRODUCTION	6.125"	5668.82' - 16,945.47	4.5"	11.6 LBS	P-110 or equiv	LTC
TIE BACK	6.125"	Surf 5668.82'	4.5"	11.6 LBS	P-110 or equiv	LTC

B. FLOAT EQUIPMENT:

1. <u>SURFACE CASING</u>: 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.

2. <u>INTERMEDIATE CASING</u>: 7" cement nose guide shoe with a self-fill insert float. Place float collar one joint above the shoe. Install (1) centralizer on each of the bottom (3) joints and one standard centralizer every (3) joints to 2,500 ft. Run (1) centralizer at 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft. Place DV tool @ the top of the Chacra formation. If cement is circulated back to surface on the first stage, a cancelation device will be dropped to shift the dv tool closed and the 2nd stage cement job will be aborted at that time.

3. <u>PRODUCTION LINER</u>: Run 4-1/2" Liner with cement nose guide Float Shoe + 2jts. of 4-1/2" casing + Landing Collar + 4-1/2" pup joint + 1 RSI (Sliding Sleeve) positioned inside the 330ft Hard line. Centralizer program will be determined by Wellbore condition and when Lateral is evaluated by Geoscientists and Reservoir Engineers. Set seals on Liner Hanger. Test TOL to 1500 psi for 15 minutes.

C. CEMENTING:

(Note: Volumes may be adjusted onsite due to actual conditions)

1. Surface 5 bbl Fresh Water Spacer, 100 sx (160 cu.ft.) of 14.5 ppg Type I-II (Neat G) + 20% Fly Ash cement w/ 7.41 gal/sack mix water ratio @ 1.61 cu ft/sx yield. Calculated @ volume + 50% excess. WOC 12 hours. Test csg to 600psi. Total Volume: (160 cu-ft/100 sx/ Bbls).TOC at Surface.

2.IntermediateSTAGE 1: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 116 bbls, 331 sks, (652
cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 89 bbls, 382 sks, (497 cuft), 13.5 ppg @
1.3 cuft/sk yield. Displacement: Displace w/ +/- 229 bbl Drilling mud or water.
Total Cement: 205 bbls, 713 sks, (1149 cuft)
STAGE 2: Spacer #1: 20 bbl (112 cuft) Chemwash. Lead Cement: 45 bbls, 131 sks, (255
cuft), 12.3 ppg @ 1.97 cuft/sk yield. Tail Cement: 16 bbls, 78 sks, (90 cuft), 13.5 ppg @
1.3 cuft/sk yield. Displacement: Displace w/ +/- 75 bbl Drilling mud or water.
Total Cement: 61 bbls, 209 sks, (345 cuft)

3. PROD. LINER: Spacer #1:10 bbl (56.cu-ft) Water Spacer. Spacer #2: 40 bbl 9.5 ppg (224.6 cu-ft) Tuned Spacer III. Spacer #3: 10 bbl Water Spacer. Lead Cement: Extencem ™ System. Yield 1.36 cuft/sk 13.3 ppg (1105 sx /1503 cuft /268 bbls). Tail Spacer: 20 BBL of MMCR. Displacement: Displace w/ +/- 140 bbl Fr Water. Total Cement (1105 sx /1503bbls).

I. COMPLETION

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A. CBL

Run CCL for perforating

A. PRESSURE TEST

1. Pressure test 4-1/2" casing to 4500 psi max, hold at 1500 psi for 30 minutes. Increase pressure to Open RSI sleeves.

B. STIMULATION

1. Stimulate with approximately 2,805,000# 20/40 mesh sand and 340,000# 16/30 mesh sand in 619,113 gallons water with 42,696 mscf N2 for 17 stages.

- 2. Isolate stages with flow through frac plug.
- 3. Drill out frac plugs and flowback lateral.

C. RUNNING TUBING

1. <u>Production Tubing:</u> Run 2-7/8", 6.5#, J-55, EUE tubing with a SN on top of bottom joint. Land tubing near Top of Liner.

• Although this horizontal well will be drilled past the applicable setbacks, an unorthodox location application is not required because the completed interval in this well, as defined by 19.15.16.7 B(1) NMAC, will be entirely within the applicable setbacks. This approach complies with all applicable rules, including 19.15.16.14 A(3) NMAC, 19.15.16.14 B(2) NMAC, 19.15.16.15 B(2)NMAC, and 19.15.16.15. B(4) NMAC.

NOTE:

Proposed Operations:

A 4-1/2" 11.6# P-110 Liner will be run to TD and landed +/- 150 ft. into the 7" 23# J-55 Intermediate casing with a Liner Hanger and pack-off assembly then cemented to top of liner hanger.

After cementing and TOL clean up operations are complete, the TOL will be tested to 1500 psi (per BLM).

WPX Energy

T23N R6W Chaco 2306-08L NE Chaco COM #910H - Slot A6

Wellbore #1

Plan: Design #2 1Dec15 sam

Standard Planning Report

01 December, 2015

OIL CONS. DIV DIST. 3

WPX

Planning Report

JAN 1 9 2016

Database: Company: Project: Site: Well: Wellbore: Design:	WPX T23N Chao NE C Wellt	PASS Energy I R6W to 2306-08L thaco COM #91 pore #1 gn #2 1Dec15 s			TVD Refe MD Refe North Re	rence:		Well NE Chaco KB @ 6857.00u KB @ 6857.00u True Minimum Curva	isft (Aztec 10 isft (Aztec 10	00)
Project	T23N	R6W							Sec. Mar	Sector States
Map System: Geo Datum: Map Zone:	NAD 19	te Plane 1927 (27 (NADCON (exico West 300)	CONUS)		System Da	itum:	M	ean Sea Level		
Site	Chaco	2306-08L						1. C. P. P. S.		and some of the line
Site Position: From: Position Uncert		VLong 0.0	North Eastir 10 usft Slot R			5,402.76 usft 3,278.64 usft 13.200 in	Latitude: Longitude: Grid Converg	ence:		36.236242 -107.500084 0.20 °
Well	NE Ch	aco COM #910	H - Slot A6							
Well Position	+N/-S +E/-W	42.	33 usft Ea	orthing: Isting:		1,905,325.67 598,321.23	usft Lor	itude: gitude:		36.236030 -107.499941
Position Uncert	ainty	0.	00 usft W	ellhead Elevation	n:	0.00	usft Gro	und Level:	1901	6,832.00 usft
Wellbore	Wellb	ore #1			de Maria					
Magnetics	M	odel Name	Sampl	e Date	Declina (°)		Dip A (*	and the second s		Strength (nT)
		IGRF2010		8/31/2015		9.21	- ()-	62.98		50,061
Design	Design	#2 1Dec15 sa	m							
Audit Notes: Version:			Phase	e: PL/	٩N	Tie	On Depth:		0.00	
Vertical Section			Depth From (T) (usft)	/D)	+N/-S (usft)	(u	:/-W sft)	(be	ection aring)	
			0.00		0.00	0.	00	12	2.79	
Plan Sections Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S	+E/-W	Dogleg Rate	Build Rate	Turn Rate	TFO	
(usft)	(")	(bearing)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)	(°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,072.32	13.45	31.69	1,066.17	66.82	41.26	2.00	2.00	0.00	31.69	
4,731.74	13.45	31.69	4,625.27	790.86	488.33	0.00	0.00	0.00	0.00	
5,423.76	60.00	127.73	5,191.71	663.12	798.79	9.00	6.73	13.88	103.38	Start 60 tan #910H
5,483.76	60.00	127.73	5,221.71	631.32	839.89	0.00	0.00	0.00		End 60 tan #910H
5,652.51	75.19	127.73	5,285.84	536.14	962.92	9.00	9.00	0.00	0.00	
	00 15	127.73	5,307.00	435.48	1,093.00	9.00	9.00	0.00	0.00	POE #910H
5,818.82 16,945.47	90.15 90.15	127.73	5,277.00	-6,373.41	9,893.04	0.00	0.00	0.00		BHL #910H

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WPX

Planning Report

Database:	COMPASS	Local Co-ordinate Reference:	Well NE Chaco COM #910H (A6) - Slot A6
Company:	WPX Energy	TVD Reference:	KB @ 6857.00usft (Aztec 1000)
Project:	T23N R6W	MD Reference:	KB @ 6857.00usft (Aztec 1000)
Site:	Chaco 2306-08L	North Reference:	True
Well:	NE Chaco COM #910H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #2 1Dec15 sam		

Planned Survey

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Measured Depth (usft)	Inclination (°)	Azimuth (bearing)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
331.00	0.00	0.00	331.00	0.00	0.00	0.00	0.00	0.00	0.00
9 5/8"	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2 500.00	2.00	31.69	499.98	1 49	0.92	-0.03	2.00	2.00	0.0
1,000.00	12.00	31.69	995.62	1.48 53.27	32.89	-1.20	2.00	2.00	0.00
1,072.32	13.45	31.69	1,066.17	66.82	41.26	-1.50	2.00	2.00	0.00
Hold 13.45 In		01.00	1 100 10	101.11					
1,500.00	13.45	31.69	1,482.12	151.44	93.51	-3.41	0.00	0.00	0.00
2,000.00 2,500.00	13.45	31.69	1,968.42	250.37	154.59	-5.63	0.00	0.00	0.00
3,000.00	13.45 13.45	31.69 31.69	2,454.71 2,941.00	349.30 448.23	215.68 276.76	-7.86	0.00	0.00	0.00
			and the second second						
3,500.00	13.45	31.69	3,427.30	547.15	337.85	-12.31	0.00	0.00	0.00
4,000.00	13.45	31.69	3,913.59	646.08	398.93	-14.54	0.00	0.00	0.00
4,500.00	13.45	31.69	4,399.88	745.01	460.02	-16.76	0.00	0.00	0.00
4,731.74	13.45	31.69	4,625.27	790.86	488.33	-17.80	0.00	0.00	0.00
	LS 9.00 TFO 10:	and the second second	1 004 50	000.00	550.00	05.45	0.00		07.04
5,000.00	24.56	104.89	4,881.52	803.26	559.66	35.45	9.00	4.14	27.29
5,423.76	60.00	127.73	5,191.71	663.12	798.79	312.38	9.00	8.36	5.39
Hold 60.00 In	Contraction of the second of the second of the second seco			Service Starts	222211213	Contractor in the		Carl Ball	
5,483.76	60.00	127.73	5,221.71	631.32	839.89	364.15	0.00	0.00	0.00
Start Build D	LS 9.00 TFO 0.0	0	1						
5,500.00	61.46	127.73	5,229.65	622.66	851.09	378.26	9.00	9.00	0.00
5,652.51	75.19	127.73	5,285.84	536.14	962.92	519.12	9.00	9.00	0.00
Start DLS 9.0	and the local design from the local design of	A STREET WELL		And the state	NY - IN	a martine	and produced		and the second
5,818.82	90.15	127.73	5,307.00	435.48	1,093.00	682.99	9.00	9.00	0.00
POE at 90.15	Inc 127.73 Deg	A REPLY OF		1000000	SALAS DEPUT	STOL MUTAL	little in the second		
5,819.00	90.15	127.73	5,307.00	435.37	1,093.15	683.17	0.00	0.00	0.00
7"		a file file			to the set		AT This	C. C. C. T.	MIN LOVE
6,000.00	90.15	127.73	5,306.51	324.61	1,236.30	863.50	0.00	0.00	0.00
6,500.00	90.15	127.73	5,305.16	18.64	1,631.75	1,361.64	0.00	0.00	0.00
7,000.00	90.15	127.73	5,303.82	-287.33	2,027.20	1,859.78	0.00	0.00	0.00
7,500.00	90.15	127.73	5,302.47	-593.30	2,422.65	2,357.92	0.00	0.00	0.00
8,000.00	90.15	127.73	5,301.12	-899.28	2,818.09	2,856.06	0.00	0.00	0.00
8,500.00	90.15	127.73	5,299.77	-1,205.25	3,213.54	3,354.20	0.00	0.00	0.00
9,000.00	90.15	127.73	5,298.42	-1,511.22	3,608.99	3,852.35	0.00	0.00	0.00
9,500.00	90.15	127.73	5,297.07	-1,817.19	4,004.44	4,350.49	0.00	0.00	0.00
10,000.00	90.15	127.73	5,295.73	-2,123.16	4,399.89	4,848.63	0.00	0.00	0.00
10,500.00	90.15	127.73	5,294.38	-2,429.13	4,795.34	5,346.77	0.00	0.00	0.00
11,000.00	90.15	127.73	5,293.03	-2,735.10	5,190.79	5,844.91	0.00	0.00	0.00
11,500.00	90.15	127.73	5,291.68	-3,041.08	5,586.24	6,343.05	0.00	0.00	0.00
12,000.00	90.15	127.73	5,290.33	-3,347.05	5,981.68	6,841.19	0.00	0.00	0.00
12,500.00	90.15	127.73	5,288.99	-3,653.02	6,377.13	7,339.34	0.00	0.00	0.00
13,000.00	90.15	127.73	5,287.64	-3,958.99	6,772.58	7,837.48	0.00	0.00	0.00
13,500.00	90.15	127.73	5,286.29	-4,264.96	7,168.03	8,335.62	0.00	0.00	0.00
14,000.00	90.15	127.73	5,284.94	-4,570.93	7,563.48	8,833.76	0.00	0.00	0.00
14,500.00	90.15	127.73	5,283.59	-4,876.91	7,958.93	9,331.90	0.00	0.00	· 0.00
15,000.00	90.15	127.73	5,282.25	-5,182.88	8,354.38	9,830.04	0.00	0.00	0.00
15,500.00	90.15	127.73	5,280.90	-5,488.85	8,749.82	10,328.18	0.00	0.00	0.00
16,000.00	90.15	127.73	5,279.55	-5,794.82	9,145.27	10,826.33	0.00	0.00	0.00
16,500.00	90.15	127.73	5,278.20	-6,100.79	9,540.72	11,324.47	0.00	0.00	0.00
16,945.47	90.15	127.73	5,277.00	-6,373.41	9,893.04	11,768.28	0.00	0.00	0.00

COMPASS 5000.1 Build 78

WPX

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Planning Report

Company: Project: Site: Well: Wellbore: Design:	WPX Energy T23N R6W Chaco 2306-08L NE Chaco COM #910H Wellbore #1 Design #2 1Dec15 sam		MD F Nort	TVD Reference: MD Reference: North Reference: Survey Calculation Method:		KB @ 6857.00usft (Aztec 1000) KB @ 6857.00usft (Aztec 1000) True Minimum Curvature			
Planned Survey Measured Depth	Inclination	Azimuth	Vertical Depth (usft)	+N/-S	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (bearing	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Start 60 tan #910H - plan hits target cen - Point	0.00 ter	0.00	5,191.71	663.12	798.79	1,905,991.54	599,117.74	36.237852	-107.497232
End 60 tan #910H - plan hits target cen - Point	0.00 ter	0.00	5,221.71	631.32	839.89	1,905,959.88	599,158.95	36.237764	-107.497093
BHL #910H - plan hits target cen - Point	0.00 ter	0.00	5,277.00	-6,373.41	9,893.04	1,898,986.33	608,236.13	36.218517	-107.466403
POE #910H - plan hits target cen - Point	0.00 ter	0.00	5,307.00	435.48	1,093.00	1,905,764.91	599,412.73	36.237226	-107.496234

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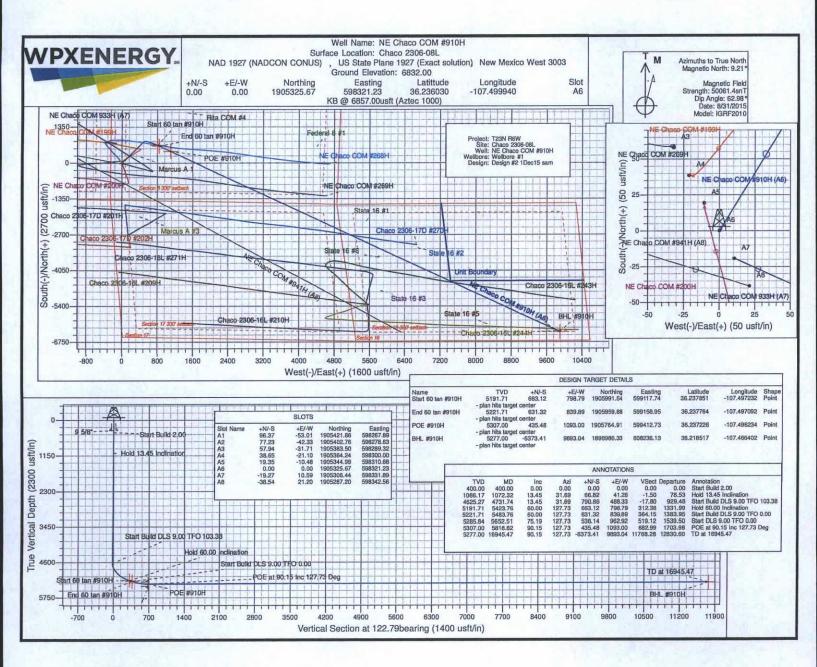
easured Depth (usft)	Vertical Depth (usft)		Name	Casing Diameter (in)	Hole Diameter (in)
331.00	331.00	9 5/8"		9.625	12.250
5,819.00	5,307.00	7"		7.000	8.750

Plan Annotations

Measured	Vertical	Local Coor	dinates	
Depth (usft)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Comment
400.00	400.00	0.00	0.00	Start Build 2.00
1,072.32	1,066.17	66.82	41.26	Hold 13.45 Inclination
4,731.74	4,625.27	790.86	488.33	Start Build DLS 9.00 TFO 103.38
5,423.76	5,191.71	663.12	798.79	Hold 60.00 Inclination
5,483.76	5,221.71	631.32	839.89	Start Build DLS 9.00 TFO 0.00
5,652.51	5,285.84	536.14	962.92	Start DLS 9.00 TFO 0.00
5,818.82	5,307.00	435.48	1,093.00	POE at 90.15 Inc 127.73 Deg
16,945,47	5,277.00	-6,373.41	9,893.04	TD at 16945.47

OIL CONS. DIV DIST. 3

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- Within 90 days of installation, production facilities would be painted Juniper Green to blend with the natural color of the landscape and would be located, to the extent practical, to reasonably minimize visual impact.
- Existing and any additional berms around all storage facilities will be maintained to contain the storage capacity of tanks. Berm walls are compacted with appropriate equipment to assure containment.
- E. Cathodic Protection
 - 1. To install an additional anode bed a vertical bore is drilled and casing of the specified size and amount is set. Casing is a minimum of 20 feet in length. Upon encountering ground water, drilling shall cease and depth to ground water (DTGW) recorded using a conductive tape technique (Wellsounder) before commencing to the desired bore depth. This information is recorded on the supplied groundwater depth log form. The bore will be completed to a desired vertical bore depth of approximately 300 feet. Given a 240 foot anode length and varying lengths of surface casing, the overall bore shall be allowed to vary by no more than ±60 feet from the standard 300 feet. Once the bore is completed and cased, the anode is installed in accordance with the manufacturer's specifications. The bore is then backfilled with Conducrete using a tremie tube technique starting from TD of the bore. The casing will be cut and capped 12 inches below the surface. The specified flush grade valve box is then installed directly over the bed. The bed location (Lat/Long) is recorded and full drill log report is completed and filed with WPX. The bed will not be energized for a minimum of 45 days.

After the completion phases and pipeline installation, portions of the project area not needed for operation will be reclaimed. When the wells are plugged, final reclamation will occur within the remainder of the project area. Reclamation is described in detail in the Reclamation Plan (Appendix C).

7.0 Methods for Handling Waste

A. Cuttings

- Drilling operations will utilize a closed-loop system. Drilling of the horizontal laterals will be accomplished with water-based mud. All cuttings will be placed in roll-off bins and hauled to a commercial disposal facility or land farm. WPX will follow Onshore Oil and Gas Order No. 1 regarding the placement, operation, and removal of closed-loop systems. No blow pit will be used.
- 2. Closed-loop tanks will be adequately sized for containment of all fluids.
- B. Drilling Fluids
 - Drilling fluids will be stored onsite in above-ground storage tanks. Upon termination of drilling operations, the drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as practical. All residual fluids will be hauled to a commercial disposal facility.
- C. Spills
 - Any spills of non-freshwater fluids will be immediately cleaned up and removed to an approved disposal site.
- D. Sewage
 - Portable toilets will be provided and maintained during construction, as needed (see Figure 4 in Appendix B for the location of toilets).

Directions from the Intersection of US Hwy 550 & US Hwy 64

in Bloomfield, NM to WPX Energy Production, LLC NE Chaco Com #910H

1398' FSL & 252' FWL, Section 8, T23N, R6W, N.M.P.M., Rio Arriba County, NM

Latitude: 36.236043°N Longitude: 107.500546°W Datum: NAD1983

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Southerly on US Hwy 550 for 50.2 miles to Mile Marker 101.0;

Go Left (Northerly) on existing roadway for 0.3 miles to fork in roadway;

Go Right (South-easterly) for 0.1 miles to fork in roadway;

C

Go Left (North-easterly) which is straight for 0.6 miles to existing NE Chaco Com #199H well approach on left-hand side, which continues to staked WPX NE Chaco Com #910H location which overlaps existing WPX NE Chaco Com #199H wellpad.

